

Town of East Windsor Policy regarding:

Budget Overruns and Added Appropriations General Rules

Budget Overruns and Added Appropriations

With the exception of the Board of Education and the Police Department, it is the First Selectman's and/or the Treasurer's responsibility to address potential budget overruns. The Police Commission shall have the responsibility to first address any potential budget overruns of the Police Department. The Board of Education is responsible for any internal transfers, however any potential budget overruns of the Board of Education shall be brought to the Board of Finance.

Definitions:

Added Appropriations – Monies that come from outside the approved budget.

Reimbursement Appropriations – Reimbursements for non-grant related expenditures that require approval and direction on where reimbursements should be applied.

Transfers – Within the General Fund Budget, allocating funds from one line item to another requires:

- Board of Selectman approval and recommendation to the Board of Finance and Town Meeting if appropriate
- Board of Finance approval and recommendation to Town Meeting if appropriate
- Town Meeting approval if required by Town Charter

The following general rules shall apply:

1. Additional appropriations: In accordance with State Statute 7-348 and the Town Charter Section 8-6 (b), only the Board of Finance has the ability to approve added appropriations and recommend said added appropriations to Town Meeting. Added appropriation funds shall not be expended prior to such approval(s).
2. Department Budget Management
 - a. If a new line item or unfunded line item requires funding, the Board of Selectmen shall recommend to the Board of Finance reallocation of budget line item amounts and/or appropriate additional funds.
 - b. The Treasurer shall present to the Board of Selectman recommended transfers on a monthly basis for approval. Approved transfers shall then be presented to the Board of Finance for approval.
 - c. With the exception of salary lines, line item transfers are not required for line item overruns of less than \$1000 and/or where the departments other unexpended line item accounts can cover the shortfall.
 - d. Within a department budget, if a non-salary account has an overrun in excess of \$1000 of its allocated amount, after review by the Treasurer and First Selectman, and with proper justification, said overrun shall be presented to the Finance Board for discussion and possible transfer or added appropriation.
3. If there is NO budgeted line for an item there should not be an over expenditure. Approvals must be obtained from the Board of Finance before expenditures of the aforementioned happen, unless there is an emergency or threat to public safety.

4. Any salary expenditure that is anticipated or goes into the negative shall be discussed by the Board of Selectmen and the Board of Finance.
5. All unpaid invoices over \$200 must be encumbered until paid. (Refer to current Purchase Order policy.)